

ESTTA Tracking number: **ESTTA328688**

Filing date: **01/25/2010**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92042082
Party	Plaintiff Four Seasons Dairy, Inc.
Correspondence Address	SAMUEL FRIEDMAN 225 BROADWAY, SUITE 1804 NEW YORK, NY 10007 UNITED STATES samfriedman@verizon.net
Submission	Brief on Merits for Plaintiff
Filer's Name	Samuel Friedman
Filer's e-mail	samfriedman@verizon.net
Signature	/Samuel Friedman/
Date	01/25/2010
Attachments	REDACTED - TRIAL BRIEF OF PETITIONER FOUR SEASONS DAIRY, INC.pdf (49 pages)(370015 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 2,479,287

Issued on August 21, 2001

FOUR SEASONS DAIRY, INC.,

Petitioner,

-against-

INTERNATIONAL GOLD STAR
TRADING CORP.,

Registrant

Cancellation No.: 92042082

Mark: BABUSHKA'S RECIPE

Reg. No. 2,479,287

Filed: December 7, 1999

Issued: August 21, 2001

I hereby certify that this correspondence is being filed with the Trademark Trial and Appeal Board through use of the Electronic System for Trademark Trials and Appeals (ESTTA)

January 25, 2010

(Date of Electronic Filing)

Samuel Friedman

Name of Representative



Signature

January 25, 2010

Date of Signature

TRIAL BRIEF OF PETITIONER FOUR SEASONS DAIRY, INC.

[TRADE SECRET / COMMERCIALLY SENSITIVE
INFORMATION REDACTED]

Samuel Friedman, Esq.
225 Broadway, Suite 1804
New York, New York 10007
Tel: (212) 267-2900

Attorney for Petitioner
FOUR SEASONS DAIRY, INC.

TABLE OF CONTENTS

PRELIMINARY STATEMENT.....	1
STATEMENT OF THE ISSUES.....	2
SUMMARY OF THE RECORD	2
FOUR SEASONS' OBJECTIONS TO RESPONDENT'S EVIDENCE	8
STATEMENT OF FACTS.....	9
A. Four Seasons	9
B. Respondent.....	11
C. Four Seasons' Independent Witnesses.....	12
Leon Sheikheit	12
Sofya Sheydvasser	14
Arkadiy Golub	15
Natalie Walewitsch	16
[REDACTED]	17
Arie Zurinam.....	18
ARGUMENT	19
I. RESPONDENT'S ADMISSIONS ARE DISPOSITIVE OF PRIORITY AND LIKELIHOOD OF CONFUSION.....	19
II. FOUR SEASONS HAS PRIORITY AND STANDING.....	21
Four Seasons' БАБУШКИНО Mark is Distinctive for Dairy Products.....	26

III.	THERE IS A STRONG LIKELIHOOD OF CONFUSION BETWEEN THE PARTIES' MARKS	28
A.	Similarity of the Marks in their Entireties (First <i>duPont</i> Factor)	31
1.	Appearance and Sound	32
2.	Meaning and Commercial Impression	32
B.	The Parties' Products and Trade Channels are Identical (Second and Third <i>duPont</i> Factors)	33
1.	The Parties' Goods are Legally Related	33
2.	The Trade Channels are Identical	34
C.	The Fame of Four Seasons' БАБУШКИНО Mark in the Russian Market (Fifth <i>duPont</i> Factor)	35
D.	There is little Evidence of Third-Party use in the Record (Sixth <i>duPont</i> Factor)	37
E.	Actual Confusion has been Limited Because Registrant's Sales Have Been Small (Eighth <i>duPont</i> Factor)	38
F.	The Right to Exclude Others (Eleventh <i>duPont</i> Factor)	38
G.	The Extent of Potential Confusion is Substantial (Twelfth <i>duPont</i> Factor)	39
H.	Registrant's Bad Faith in Selecting its Mark (Thirteenth <i>duPont</i> Factor)	39
	CONCLUSION	40
	CERTIFICATE OF SERVICE	41

TABLE OF AUTHORITIES

CASES

<u>Bass Pro Trademark, L.L.C. v. Sportsman’s Warehouse,</u> 89 USPQ2d 1844 (TTAB 2008).....	20
<u>Bose Corp. v. QSC Audio Products, Inc.,</u> 63 USPQ2d 1303 (Fed. Cir. 2002)	36
<u>Canadian Imperial Bank of Commerce v. Wells Fargo Bank, Nat’l Asso.,</u> 1 USPQ2d 1813, 1815-16 (Fed. Cir. 1987)	34
<u>Century 21 Real Estate Corp. v. Century Life of America,</u> 23 USPQ2d 1698, 1701 (Fed. Cir. 1992)	35
<u>Chemetron Corp. v. Morris Coupling & Clamp Co.,</u> 203 USPQ 537 (TTAB 1979).....	30
<u>Cleveland-Detroit Corp. v. Comco (Machinery) Ltd.,</u> 277 F.2d 958, 125 USPQ 586, 586-87 (CCPA 1960).....	24
<u>E.I. duPont de Nemours & Co. v. Sunlyra Int’l, Inc.,</u> 35 USPQ2d 1787, 1790 (TTAB 1995)	31
<u>Giant Food, Inc. v. Nation’s Foodservice, Inc.,</u> 218 USPQ 390, 395 (Fed. Cir. 1983)	29
<u>Great Seats Ltd. v. Great Seats, Inc.,</u> 84 USPQ2d 1235 (TTAB 2007).....	22
<u>Guardian Products Co., v. Scott Paper Co.,</u> 200 USPQ 738 (TTAB 1978).....	30
<u>Hydro-Dynamics Inc. v. George Putnam & Co.,</u> 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987).....	19
<u>Ilco Corp. v. Ideal Security Hardware Corp.,</u> 527 F.2d 1221, 188 USPQ 485, 488 (CCPA 1976)	19

<u>In re August Storck KG,</u> 218 USPQ 823 (TTAB 1983).....	30
<u>In re E.I. DuPont de Nemours & Co.,</u> 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)	30
<u>In re E.I. duPont de Nemours & Co.,</u> 177 USPQ 563 (CCPA 1973).....	28, 31, 37
<u>In re Hyper Shoppes (Ohio), Inc.,</u> 837 F.2d 463, 6 USPQ2d 1025 (Fed. Cir., 1988).....	29, 30
<u>In re International Telephone and Telegraph Corp.,</u> 197 USPQ 910 (TTAB 1978).....	30
<u>In re Jakob Demmer KG,</u> 219 USPQ 1199, 1200 (TTAB 1983)	34
<u>In re Opus One Inc.,</u> 60 USPQ2d 1812, 1817 (TTAB 2001)	34
<u>In re Rexel, Inc.,</u> 223 USPQ 830, 831 (TTAB 1984)	34
<u>Kellogg Co. v. Pack’Em Enterprises Inc.,</u> 14 USPQ2d 1545, 1547 n.6 (TTAB 1990) <u>aff’d</u> , 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991).....	24
<u>Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.,</u> 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).....	29, 35
<u>Lloyd’s Food Products v. Eli’s Inc.,</u> 25 USPQ2d 2027, 2029 (Fed. Cir. 1993), <u>quoting, In re E.I. du Pont</u> , 177 USPQ at 567	37
<u>MSI Data Corp. v. Microprocessor Systems, Inc.,</u> 220 USPQ 655, 659 (TTAB 1983)	33

<u>Octocom Systems, Inc. v. Houston Computer Services, Inc.,</u> 16 USPQ2d 1783 (Fed. Cir. 1990).....	29
<u>Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772,</u> 73 USPQ2d 1689, 1694-95 (Fed. Cir. 2005)	36
<u>Recot, Inc. v. Becton,</u> 54 USPQ2d 1894, 1897 (Fed. Cir. 2000).....	35
<u>Recot, Inc. v. Becton,</u> 56 USPQ2d 1859 (TTAB 2000).....	31
<u>Ritchie v. Simpson,</u> 50 USPQ2d 1023 (Fed. Cir. 1999).....	28
<u>Sealed Air Corp. v. Scott Paper Co.,</u> 190 USPQ 106 (TTAB 1975).....	30, 31
<u>Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.,</u> 748 F.2d 669, 223 USPQ 1281, 1283 (Fed. Cir. 1984).....	24, 34, 35, 36
<u>SquirtCo v. Tomy Corp.,</u> 216 USPQ 937, 939 (Fed. Cir. 1983).....	29
<u>Time Warner Entm't Co. v. Jones,</u> USPQ2d 1650, 1661 (TTAB 2002)	33
<u>Toro Co. v. ToroHead, Inc.,</u> 61 USPQ2d 1164 (TTAB 2001).....	31
<u>Uncle Ben's Inc. v. Studenberg International Inc.,</u> 47 USPQ2d 1310, 1311 n.2 (TTAB 1998)	24
<u>Visual Information Institute, Inc. v. Vicon Industries Inc.,</u> 209 USPQ 179 (TTAB 1980).....	30

STATUTES

37 CFR § 2.120(j).....	8
37 CFR § 2.122(b).....	7
37 CFR § 2.122(d).....	7
37 CFR § 2.122(e).....	5, 7, 8
Rule 26 of the Fed.R.Civ.P.	9
Rule 37 of the Fed.R.Civ.P.	8
1 NYCRR § 2.4	4
1 NYCRR § 2.50	4
1 NYCRR § 3.4	4
1 NYCRR § 7.4	4
1 NYCRR § 17.18	4
1 NYCRR § 17.20	4
1 NYCRR § 221.1, <u>et seq</u>	4
1 NYCRR § 259.1	4
TBMP § 704.03(b)(1)(B)	5
TBMP § 704.03	7
TBMP § 704.03(a).....	23
TBMP § 704.03(b)(2).....	7
TBMP § 704.07	8

TBMP § 704.10	8
TMEP § 1207.01(b).....	30
TMEP §§ 1207.01 <u>et seq</u>	30
15 U.S.C. § 1052	28
15 U.S.C. § 1052(d)	1, 22, 30
15 U.S.C. §§ 1058	11
15 U.S.C. §§ 1063	28
15 U.S.C. §§ 1064	28
15 U.S.C. §§ 1065	12
J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 23.41 at 23-125 (4th Ed. 2002).....	31

PRELIMINARY STATEMENT

This cancellation proceeding concerns Respondent's attempt to maintain Registration No. 2,479,287 covering the mark BABUSHKA'S RECIPE for "[d]airy products, excluding ice cream, ice milk and frozen yogurt processed and marinated vegetables" over Petitioner's prior use of the mark БАБУШКИНО, in Cyrillic letters (translated from Russian to English as Granny and transliterated into English as BABUSHKINO) at common law for vegetable oil spread, vegetable extracts for food, margarine and dairy products excluding ice cream, ice milk and frozen yogurt.

Petitioner Four Seasons Dairy, Inc. ("Petitioner" or "Four Seasons") is located in Brooklyn, New York, as is Respondent International Gold Star Trading Corp. ("Respondent" or "Registrant"). The mark БАБУШКИНО has been continuously used in commerce by Petitioner and its direct predecessor A&O Corp. since at least as early as October 1997 for its dairy products and vegetable spread. Respondent allegedly commenced use of the mark BABUSHKA'S RECIPE "in commerce" in September 1999.

The petition to cancel Respondent's registration was filed on or about May 29, 2003, within one year and nine months following its registration on August 21, 2001 and after Four Seasons received an Office Action in its application to register БАБУШКИНО, Ser. No. 76/174746, wherein the Examining Attorney found a likelihood of confusion between the two marks and refused registration pursuant to 15 U.S.C. § 1052(d).

STATEMENT OF THE ISSUES

Issue 1 - whether Four Seasons is the prior user of БАБУШКИНО at common law for dairy products and whether there is apt to be a likelihood of confusion with Respondent's subsequently used and registered mark BABUSHKA'S RECIPE for dairy products.

Issue 2 - whether Respondent's registration for BABUSHKA'S RECIPE based on sales of dairy products should be declared void sua sponte for fraudulent failure to disclose its knowledge that it did not have the superior right to the trademark at the time of filing its application for registration.

SUMMARY OF THE RECORD

Four Seasons took by direct examination the testimony of the following individuals:

1. Alexandr Bekker, Vice President of Four Seasons Dairy, Inc., on April 10, 2008 and on October 15, 2009,
2. Oleg Kesler, President of Four Seasons Dairy, Inc., on April 10, 2008,
3. [REDACTED]
4. Leon Sheikhet, formerly of Unsurpassed Meat Inc. d/b/a Miller's Finest Meats, on April 16 , 2008 (third party witness),
5. Arkadiy Golub, formerly of Beluga Caviar, on April 17, 2008 and on October 15, 2009 (third party witness),
6. Sofya Sheydvasser, Officer of Matreshka Inc., on April 17, 2008 (third party witness),
7. Arie Zurinam, Officer of Quick Graphics Inc., on April 18, 2008 (third party witness),

8. Natalie Walewitsch, Officer of Natar Foods Inc., on June 4, 2008 (third party witness),

Four Seasons' Trial Testimony and accompanying Trial Exhibits are being filed with the Board. Additionally, for ease of reference, Petitioner's Trial Exhibits in support of its testimony and as introduced during the cross examination of Respondent's witnesses will be submitted in bulk.

Respondent took by direct examination the testimony of the following individuals:

1. Lisa Anne Troyer, of Bunker Hill Cheese Co., Inc., on October 14, 2008,
2. Dimitry Lerner on October 14, 2008,
3. Jacob Krumgalz, of International Gold Star Trading Corp., on October 14, 2008,
4. Robert Pincow, President of International Gold Star Trading Corp., on October 16, 2008,
5. Galina Pincow, Vice President of International Gold Star Trading Corp., on October 16, 2008, October 17, 2008 and on October 23, 2008,
6. Daniel Bartolomeo, of Gem Printing, on October 17, 2008,
7. Irina Lubenskaya on October 17, 2008,
8. Luis ("Butch") P. Miller, of Queensboro Farm Products, Inc., on October 20, 2008,
9. Vladimir Krasnov, of V.M. Food Service Corp., on October 20, 2008,
10. Igor Zagranichny on October 20, 2008,
11. Alexandr Bekker, Vice President of Four Seasons Dairy, Inc., on October 22, 2008,

12. Oleg Kesler, President of Four Seasons Dairy, Inc., on October 22, 2008,

In addition to the foregoing testimony and trial exhibits, Respondent introduced a Notice of Reliance on November 3, 2008; and Four Seasons introduced a Notice of Reliance on November 4, 2009. Four Seasons' Notice of Reliance contains the following documents:

Exhibit A: true copies of the relevant portions of Title 1 of the Official Compilation of Codes, Rules and Regulations of the State of New York ("NYCRR") that are prepared by the New York Department of State and published by Thomson Reuters/West.

The labeling and packaging requirements of dairy products and milk products are at issue in this proceeding. During its testimony period, Registrant claimed certain uses and sales of dairy and milk products in the State of New York; and sought to introduce certain labels as specimens of actual use. However, the applicable labeling requirements for dairy products as set forth in the NYCRR demonstrate that Registrant's alleged uses are and were fictitious rather than genuine. The relevant packaging and labeling requirements are set forth in Exhibit A at various citations including but not limited to 1 NYCRR § 2.4 (Ex. A, p. 27); 1 NYCRR § 2.50 (Ex. A, p. 35); 1 NYCRR § 3.4 (Ex. A, p. 44); 1 NYCRR § 7.4 (Ex. A, p. 48); 1 NYCRR § 17.18 (Ex. A, pp. 61 - 62); 1 NYCRR § 17.20 (Ex. A, pp. 62 - 63); 1 NYCRR § 221.1, *et seq* (Ex. A, pp. 66 - 76); 1 NYCRR § 259.1 (Ex. A, p. 77).

Exhibit B: true copies of the relevant provisions of the 1999 Revision of Grade "A" Pasteurized Milk Ordinance (the "PMO of 1999") promulgated by the U.S. Department of Health and Human Services, Public Health Service, Food and Drug Administration, from which copies may be obtained.

As set forth in its Preface, the PMO of 1999 "[was] incorporated by reference in Federal specifications for procurement of milk and milk products; [was] used as the sanitary regulation for milk and milk products served on interstate carriers; and is recognized by the public health agencies, the milk industry, and many others as a national standard for milk sanitation." The introductory materials, and Sections 1 through 7 inclusive of the PMO of 1999 are annexed to the Notice of Reliance as Exhibit B.

The applicable labeling requirement for milk and milk products, including all of the goods at issue in this proceeding, demonstrate that Registrant's alleged uses of certain labels for milk products, which labels it seeks to introduce as specimens of actual use in or about 1999, are fictitious rather than genuine. The relevant labeling requirements for milk and milk products are set forth in the PMO of 1999 in various sections including primarily Section 4 entitled "Labeling" that appears at pages 7, 8 and 9 of the PMO of 1999.

Exhibit C: true copies of the relevant provisions of the 2007 Revision of Grade "A" Pasteurized Milk Ordinance (the "PMO of 2007") promulgated by the U.S. Department of Health and Human Services, Public Health Service, Food and Drug Administration, from which copies may be obtained.

The applicable labeling requirement for milk and milk products, including all of the goods at issue in this proceeding, demonstrate that Registrant's alleged uses of certain labels for milk products, which labels it seeks to introduce as specimens of actual use, are fictitious rather than genuine. The relevant labeling requirements for milk and milk products are set forth in the PMO of 2007 in various sections including primarily Section 4 entitled "Labeling" that appears at pages 14, 15 and 16 of the PMO of 2007.

Exhibit D: 14 third party U.S. trademark registrations for cheese, each containing or consisting of designs of horse and carriage in similar style. This evidence is being submitted pursuant to 37 CFR § 2.122(e) and TBMP § 704.03(b)(1)(B). The evidence is submitted to rebut Item 2 of Registrant's Notice of Reliance filed November 3, 2008 for U.S. Reg. No. 2,107,774 regarding Petitioner's alleged "pattern of copying products sold by Registrant". This exhibit demonstrates that horse and carriage designs are commonly contained within trademark registrations for dairy goods; and that Registrant's allegations of infringement and copying by Petitioner of marks that are not at issue in this proceeding are groundless and are a desperate attempt to shift focus from the fact that Petitioner has priority with respect to the mark at issue in this proceeding.

1. United States Trademark Registration No. 2,927,734, registered February 22, 2005 for the mark AMISH TRADITIONS plus design of horse and carriage.

2. United States Trademark Registration No. 1,044,317, registered July 20, 1976 for the mark AMISH COUNTRY THE CHEESE WORTH HAVING A PARTY FOR plus design of horse and carriage.
3. United States Trademark Registration No. 3,011,998 registered November 1, 2005 for the mark MIDDLEFIELD CHEESE plus design of horse and carriage.
4. United States Trademark Registration No. 2,298,018 registered December 7, 1999 for the design only of horse and carriage.
5. United States Trademark Registration No. 2,289,587 registered October 26, 1999 for the mark KAYEM PREMIUM QUALITY plus design of horse and carriage.
6. United States Trademark Registration No. 3,429,086 registered May 20, 2008 for the mark YODER'S IT'S GRANDMA GOOD! plus design of horse and carriage.
7. United States Trademark Registration No. 2,841,118 registered May 11, 2004 for the mark AMISH CHEESE FROM DUTCH COUNTRY DEUTSCH KASE HAUS plus design of horse and carriage.
8. United States Trademark Registration No. 1,823,858 registered February 22, 1994 for the mark BROADVIEW DAIRY SINCE 1897 plus design of horse and carriage.
9. United States Trademark Registration No. 2,785,080 registered November 18, 2003 for the mark HILLSHIRE FARM plus design of horse and carriage.
10. United States Trademark Registration No. 3,158,693 registered October 17, 2006 for the mark "FROM OHIO'S AMISH LAND" TROYER plus design of horse and carriage.
11. United States Trademark Registration No. 3,650,489 registered July 7, 2009 for the mark STEINER CHEESE LTD. plus design of horse and carriage.

12. United States Trademark Registration No. 1,408,738 registered September 9, 1986 for the mark LE RUSTIQUE LES FROMAGERIES LUTIN plus design of horse and carriage.
13. United States Trademark Registration No. 1,412,503 registered October 7, 1986 for the design only of horse and carriage.
14. United States Trademark Registration No. 3,468,228 registered July 15, 2008 for the mark MAGLIO plus design of horse and carriage.

Exhibit E: a status and title copy of Petitioner's AMISH STYLE HIGH FAT SOUR CREAM and Design trademark and U.S. Trademark Registration No. 3,339,109 for "sour cream" in International Class 29 on the principal register. This registration is being submitted in accordance with 37 CFR §2.122(d) and TBMP §704.03. Petitioner is the owner of this valid and subsisting trademark and U.S. federal trademark registration. This evidence is submitted to rebut Registrant's unsupported allegation regarding Petitioner's alleged "pattern of copying products sold by Registrant"; and to demonstrate that horse and carriage designs are commonly contained within trademark registrations for dairy goods.

Exhibit F: status and title copy of Petitioner's TVOROG AMISH FARMERS CHEESE plus Design trademark and U.S. Trademark Application Serial No. 77/719,928 for "soft cheese, cream cheese and cottage cheese" in International Class 29. This federal U.S. trademark application is being submitted in accordance with 37 CFR §2.122(e) and TBMP §704.03(b)(2). Petitioner is the owner of this valid and subsisting trademark and U.S. federal trademark application. This evidence is submitted to rebut Registrant's unsupported allegation regarding Petitioner's alleged "pattern of copying products sold by Registrant"; and to demonstrate that horse and carriage designs are commonly contained within trademark applications and registrations for dairy goods.

Exhibit G: Registrant's Combined Declaration of Use and Incontestability under Sections 8 and 15 for the subject Registration. This Exhibit was filed by the Registrant on August 21, 2007, during the pendency of the instant cancellation proceeding. Therein, Registrant declares under penalty of perjury that there is no pending proceeding involving the owner's right to keep the mark on the Principal Register of the U.S. Patent and Trademark Office. This evidence is being submitted in accordance with 37 CFR § 2.122(b) to establish the Registrant's pattern of callous disregard for the solemnity of the oath of giving truthful testimony

in its filings with, and proceedings before, the U.S. Patent and Trademark Office.

Exhibit H: the Office Action issued on July 12, 2005 by the United States Patent and Trademark Office in connection with the application of third party Lisa Troyer and Leeann Martin (an Ohio partnership) for the purported mark YOGURT CULTURED, U.S. Supplemental Trademark Registration No. 3,080,997. As set forth at pages 3 - 4 of Exhibit H, the U.S. Patent and Trademark Office issued a section 2(e)(1) Descriptive Refusal on the grounds that “the proposed mark merely describes and [sic] ingredient or characteristic of the applicant’s goods and/or services.” This evidence is being submitted pursuant to 37 CFR §2.122(e) and TBMP §704.07. The evidence is submitted to rebut Item 4 of Registrant’s Notice of Reliance filed November 3, 2008 for the mark on the Supplemental Register identified as U.S. Trademark Reg. 3,080,997, which Registrant falsely claims is evidence of Petitioner’s “pattern of copying products sold by Registrant.”

Exhibit I: (i) Petitioner’s First Set of Interrogatories to Registrant, dated and duly served on December 29, 2003, (ii) Registrant’s Responses to Petitioner’s Interrogatories, sworn to May 21, 2007, (iii) Registrant’s Supplemental Responses to Petitioner’s Interrogatories sworn to June 20, 2007 (with redactions at Registrant’s request pursuant to Protective Order); and (iv) Registrant’s Documents produced on or about November 15, 2007 with bates-stamp nos. GOLD 0001 - GOLD 0095 (with redactions at Registrant’s Request pursuant to Protective Order). The Registrant’s documents were provided by counsel as all or part of its answers to Petitioner’s Interrogatories. This evidence is submitted pursuant to 37 CFR §2.120(j) and TBMP §704.10 for the purpose of demonstrating that Registrant failed to disclose its Trial Exhibits during discovery, to the prejudice of Four Seasons, in a vain attempt to establish an earlier date of first use.

FOUR SEASONS’ OBJECTIONS TO RESPONDENT’S EVIDENCE

Four Seasons hereby reasserts its objection for exclusion under Rule 37 of the Fed.R.Civ.P. of Respondent’s trial exhibits and any and all testimony of Respondent’s witnesses related thereto, where the documents were not produced during discovery or

discovery or supplemented under Rule 26 of the Fed.R.Civ.P. Four Seasons further objects to Respondent's evidence to the extent that it is irrelevant to the issues herein.

STATEMENT OF FACTS

A. Four Seasons

Petitioner Four Seasons Dairy, Inc. is a corporation organized under the laws of the State of New York having incorporated on or about January 4, 1999 (Bekker Test. 4/10/2008, pp. 6-9).

All outstanding shares of Four Seasons are owned on a fifty/fifty basis by its co-founders Alexandr Bekker and Oleg Kesler, both of whom are natives of the Ukraine. Mr. Bekker serves as vice president and Mr. Kesler serves as president of Four Seasons. They jointly share responsibility concerning all aspects of managing the company. (Bekker Test. 4/10/2008, pp. 6-7, 14).

Four Seasons is a wholesaler of dairy products catering to the expatriate Russian population of the United States and Canada. It is the direct successor of A&O Corp., a New York corporation formed on August 30, 1996 [P-Exhibit 16]¹ by Alexandr Bekker and Oleg Kesler and named after its founders Alexandr Bekker & Oleg Kesler. (Bekker Test. 4/10/2008, pp. 7-8, 15, 17, 110-116). A&O Corp. commenced operations as a retail store in Brooklyn under the d/b/a Friendly Foods and soon grew into a wholesaler of dairy products and butter blends. (Bekker Test. 4/10/2008, p. 9). Fifty percent of A&O Corp. was owned by Alexander Bekker and fifty percent by Oleg Kesler.

¹ "P - Exhibit refers to Petitioner's Trial Exhibits.

In or about September 1996, all of Mr. Kesler's shares in A&O Corp. were transferred to Mr. Bekker. However, all profits of A&O Corp. continued to be shared between Mr. Kesler and Mr. Bekker on a fifty/fifty basis. (Bekker Test. 4/10/2008, p. 111). As the dairy products wholesaling aspect of the business grew and eclipsed the retail store operation, in 1998 the young company assumed the d/b/a of Four Seasons. By January of 1999 they incorporated as Four Seasons Dairy, Inc., closed the retail store, and focused solely on wholesaling dairy products and butter blends to the Russian market.

As will be fully documented below, Petitioner presented the testimony of several independent witnesses who corroborated Petitioner's trademark usage of БАБУШКИНО in connection with dairy products since 1997.

From humble origins, Petitioner Four Seasons Dairy, Inc. has grown into one of the largest wholesalers of specialty dairy products serving the expatriate Russian market in the U.S. and Canada; and its БАБУШКИНО brand for dairy products has achieved fame and notoriety as a superior product in the relevant market.

The fact that Respondent has been trading on the good will earned by Four Seasons is evident from the history of relations between the two companies. As described by Mr. Bekker, A&O Corp. had supplied Respondent with turkey products. In or about 1997 the principals of A&O Corp. had a dispute with Respondent concerning Respondent's unjustified failure and refusal to pay for a delivery of two palettes of smoked turkey. Consequently, Four Seasons refused to sell its products to Respondent. (Bekker Test. 4/10/2008, pp. 78-79). Thereafter, Respondent commenced a course of

competing unfairly with Four Seasons by attempting to usurp Four Seasons' good will in the relevant market.

B. Respondent

Respondent International Gold Star Trading Corp. is a corporation organized under the laws of the State of New York, headquartered in Brooklyn, New York, wholly owned by Robert Pincow. Respondent's operations focus primarily on the production and distribution of fish and meats. Distribution of dairy products has been a side endeavor of Respondent which Robert Pincow delegated to his wife Galina Pincow. At deposition, Robert Pincow had very little knowledge of Respondent's history of selling dairy products and referred all questions to his wife Galina (R. Pincow Test., p. 12).

On or about November 11, 1999, Galina Pincow signed a sworn statement, later filed with the U.S.P.T.O. as in support of Respondent's trademark application, that Respondent's earliest use and earliest use in commerce of BABUSHKA'S RECIPE in connection with dairy products under International Class 029 was September 1999. Moreover, despite overwhelming evidence that she had personal knowledge that Petitioner was distributing dairy products under its BABUSHKINO brand, she swore to the USPTO that she knew of no other party with superior claim to the mark. (P-Exhibit 215). Respondent's application matured into a registration on or about August 21, 2001. On or about August 21, 2007, during the pendency of this cancellation proceeding, Respondent filed an affidavit under Trademark Act Sections 8 and 15, 15 U.S.C. §§ 1058

and 1065 in connection with its involved Registration No. 75,865,702. Because this proceeding was pending at the time of such filing, Respondent could not properly file the Section 15 affidavit.

C. Four Seasons' Independent Witnesses

Four Seasons presented the testimony of six independent witnesses, apart from Four Seasons' two principals, who offered credible testimony, substantiated by verifiable documents, to establish its priority. Several of the independent witnesses gave unequivocal sworn testimony that Four Seasons (including through its direct predecessor A&O Corp.) has been selling dairy products under the БАБУШКИНО label since at least October 1997.

Leon Sheikheit

Leon Sheikheit owned and operated a retail store in Brooklyn from 1993 to 2004 known as Miller's Market d/b/a Unsurpassed Meat Corporation ("Miller's Market"). Sheikheit's duties included managing the store and purchasing products. Sheikheit was in the store on a regular basis. In addition to meat products, Miller's Market sold a wide collection of dairy products. (Sheikheit Test., pp. 6-7).

Mr. Sheikheit testified that he had purchased БАБУШКИНО-branded dairy product from Alexandr Bekker and Oleg Kesler on a weekly basis since around or about December 1997. (Sheikheit Test. pp. 17-20). Mr. Sheikheit further identified the invoices presented to him by Four Seasons in January and February 1999 from the original booklet of carbon copy invoices presented to him during the deposition, marked

as Petitioner's Exhibit 3. (Sheikheit Test., pp. 11-14, P- Exhibit 3, pp. 22, 34, 47). Each of these invoices reflect sales of БАБУШКИНО-branded dairy products. Mr. Sheikheit further confirmed that Alexander Bekker and Oleg Kesler were first selling the БАБУШКИНО-branded dairy products through A&O Corp.; and then commencing in or about 1999 through Four Seasons Dairy, Inc. (Sheikheit Test, pp. 17-18; 43-45; 53-54). During the 1990's, either Mr. Bekker or Mr. Kesler would personally deliver the БАБУШКИНО-branded product to Mr. Sheikheit's store; and in the early years, before forming Four Seasons, they drove a truck with A&O Corp. printed on the side. The truck later was changed to reflect the name Four Seasons (Sheikheit Test., p. 53-54). Mr. Sheikheit did not remember International Gold Star as selling dairy products. He received a catalog from International Gold Star in or about 2004 and purchased some products from them once or twice (Sheikheit Test., p. 54).

The name БАБУШКИНО as a brand for dairy products was suggested by Mr. Sheikheit to Oleg Kesler & Alexandr Bekker in or about 1996. At or about that time Mr. Sheikheit's wife was turning 50 and Mr. Sheikheit joked to Bekker and Kesler that they should take his wife's picture and use it on the product with the name БАБУШКИНО. (Sheikheit Test., p. 9-10). Not long thereafter, Sheikheit was purchasing БАБУШКИНО-branded dairy products from Bekker and Kesler under labels that looked substantially as they appear in Petitioner's Exhibit 1. (Sheikheit Test., p. 19-20; 49-51).

Sofya Sheydvasser

Sofya Sheydvasser owned and operated a grocery store known as Matreshka in Brooklyn from 1988 to date of testimony on April 17, 2008. Matreshka sells various products including milk and dairy. (Sheydvasser Test., pp. 8-9). She testified that she had purchased dairy products from Alexandr Bekker and Oleg Kessler since 1997 when they operated a store in Brooklyn known as Friendly Foods which was around the corner from Matreshka. (Sheydvasser Test., p. 10). She purchased dairy products from Alexandr Bekker and Oleg Kesler since 1997 under labels that appeared substantially similar to Petitioner's Exhibit 1 that reflected the БАБУШКИНО brand name. (Sheydvasser Test., pp. 11-14).

Significantly, Ms. Sheydvasser recognized the invoices she had been presented by Four Seasons in the booklet of original carbon copies of invoices from January to February 1999 marked as Petitioner's Exhibit 3.

A. There is my name. This my invoice. This my balance. This my everything.

MR. FRIEDMAN: The witness is referring to Petitioner's Exhibit 3 with the bottom number on the page being 8829-9.

A. Yes.

Q. Okay. And you are saying --

MR. FRIEDMAN: If you could give the lawyers a minute to turn to that as well.

Q. Now, you --

MR. THOMPSON: I'm sorry. Which page did you say this was?

THE WITNESS: 8829-9.

MR. FRIEDMAN: It is Bates stamp No. P0031.

Q. Before we interrupted you, you were looking at this page and you said that you do recognize this?

A. This my invoice, yes. This has my name. This is name of the store.

Q. When you say this is my name, you are referring to the address line?

A. Matreshka, this is the name of the store.

Q. Is this in Russian?

A. This is -- yes, this is Russian.

(Sheydvasser Test., pp. 16-17).

Ms. Sheydvasser identified pages 9, 27, and 36 of Petitioner's Exhibit 3 as each reflecting deliveries of БАБУШКИНО-branded dairy products from Four Seasons to Matreshka in January of 1999. (Sheydvasser Test., pp. 16-21). She further recollected the change of name from A&O Corp. to Four Seasons around or about the late 1990's and she continues purchasing БАБУШКИНО-branded dairy products from Four Seasons to date. (Sheydvasser Test., p. 14). Ms. Sheydvasser purchased only fish and not dairy products from International Gold Star. (Sheydvasser Test., p.32).

Arkadiy Golub

Arkadiy Golub testified that he worked for Beluga Caviar, a wholesaler of specialty Russian products, from approximately 1994 to 2002. He was promoted from driver to manager in approximately 1997. As manager of Beluga Caviar, he ordered БАБУШКИНО-branded dairy products from Alexandr Bekker and Oleg Kesler on a weekly basis since around or about 1997. (Arkadiy Golub Test. 4/17/2008, pp. 6-11). They first did business as A&O, and later changed the name of their company to Four Seasons (p. 12).

Mr. Golub was called again to testify during Petitioner's Rebuttal period because, among other things, Respondent's witnesses, unworthy of belief, offered testimony that purportedly called into doubt whether Mr. Golub had indeed worked for Beluga Caviar, which was one of the largest and most famous wholesalers of Russian specialty foods, doing business on a national and international basis. Consequently, during Mr. Golub's second day of testimony, he authenticated true copies of his IRS Form W-2 Wage and Tax Statements from Beluga Caviar for years 1996 through 2001. (Arkadiy Golub Test. 10/15/2009, pp. 8-12; P-Exhibit 303).

Natalie Walewitsch

Natalie Walewitsch is a principal of Natar Foods in Brooklyn, a wholesale distributor of European products since 1999. She testified that her day to day duties for Natar Foods since 1999 have included the acquisition of dairy products. She testified that as of 1999 Natar Foods was purchasing 30-40 cases per week of dairy products from Four Seasons under the БАБУШКИНО brand. From 1999 to present day the volume of such purchases has increased on a continuous basis. (Walewitsch Test., pp. 5-7). Ms. Walewitsch identified Petitioner's Exhibit 1 as constituting substantially the same БАБУШКИНО label that was on the dairy products that Natar Foods has been purchasing from Four Seasons from 1999 to present day. (p. 8). Furthermore, Ms. Walewitsch testified that Four Seasons' БАБУШКИНО label for dairy products has been on the cover of Natar Foods' price list (P-Exhibit 13) since around or about the time that Natar Foods opened for business in 1999. (p. 9).

Under cross examination from Petitioner's counsel, Ms. Walewitsch acknowledged that Natar Foods has sold farmers cheese under its own label called Babushkinow and received a cease and desist letter from Respondent's counsel in 2002 wherein Respondent International Gold Star claimed a likelihood of confusion between Natar's BABUSHKINO labeled farmer's cheese with Cyrillic lettering, and Respondent's BABUSHKA'S RECIPE that is the subject of this proceeding. (Walewitsch, pp. 23-25, Respondent's Exhibit 6).

Four Seasons Dairy further offers the testimony of

[REDACTED]

Arie Zurinam

Arie Zurinam testified that he is the owner and lead graphics artist of Quick Graphics in Brooklyn, New York, and, as such, started working with Alexandr Bekker and Oleg Kesler in designing a label for БАБУШКИНО dairy products in 1996 or 1997. He testified to having first created in about 1997 substantially the same label for БАБУШКИНО as appears in Petitioner's Exhibit 1. (Zurinam Test., pp. 6-10). Mr. Zurinam further produced a Quick Graphics order form bearing date of November 25, 1998 for the production of 20,000 Babushkina labels. (Zurinam Test., p. 13-17; P-Exhibit 4). The dimensions and specifications for the printing of the labels reflected in Exhibit 4 correspond to the dimensions of the БАБУШКИНО labels represented in Petitioner's Exhibit 1. (Zurinam Test., pp. 66-68).

ARGUMENT

I. RESPONDENT'S ADMISSIONS ARE DISPOSITIVE OF PRIORITY AND LIKELIHOOD OF CONFUSION

The overwhelming evidence of record establishes that Four Seasons and its direct predecessor A&O Corp. commenced using БАБУШКИНО in commerce for the sale of dairy products at least as early as October 1997.

In Respondent's application for registration of the subject mark (P. Exhibit 215), it claims that "[t]he mark was first used on the good in September 1999 [and] was first used in interstate commerce in September 1999" The application was signed, under oath, by Respondent's vice president officer with greatest knowledge, Ms. Galina Pinow, on November 11, 1999, just six weeks after the date of first use -- a time when her memory was fresh and accurate. However, at various times in the course of this proceeding Respondent has sought to claim a date of first use in commerce earlier than September 1999.

Because Respondent is seeking to prove a date of first use earlier than the date alleged in its application for registration, its proof of that earlier date must be "clear and convincing." Hydro-Dynamics Inc. v. George Putnam & Co., 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987) (dates of first use earlier than that alleged in the application is a change of position from one "considered to have been made against interest at the time of filing the application," and therefore requires enhanced proof); Ilco Corp. v. Ideal Security Hardware Corp., 527 F.2d 1221, 188 USPQ 485, 488 (CCPA

1976); Bass Pro Trademark, L.L.C. v. Sportsman's Warehouse, 89 USPQ2d 1844 (TTAB 2008).

Respondent has wholly failed to establish any trademark use of the subject mark prior to September 1999. During her testimony Ms. Pincow identified her signature on the application and admitted that she was vice president of Respondent on November 11, 1999 at the time that she signed the application under oath (Galina Pincow Test. 10/23/2008, p. 140-141).

During her sworn testimony in this proceeding, Respondent's witness with greatest knowledge, Galina Pincow, admitted that Respondent's first use of the subject mark on the subject goods was no earlier than September 1999.

Q. And directing your attention to the first page [of P-Exhibit 15] underneath the word "Sir," the second paragraph, do you see that paragraph starting with the words "The mark"?

A. Yes.

Q. Could you please read that into the record?

A. "The mark was first used on the goods in September 1999; was first so used in interstate commerce in September 1999 and is now in such use in such commerce."

Q. Thank you.

Is that a true statement, what you just read into the record?

A. Looking in retrospect -- okay. Well, it is a true statement.

[Galina Pincow Test. 10/23/2008, p. 142 ll. 2-17].

The sworn testimony of Ms. Pincow that Respondent's subject mark was first used in September 1999 is dispositive. Although Ms. Pincow later seeks to distract attention from her glaring admission by offering testimony that there was some prior application filed by Respondent for the subject mark and subject goods with an earlier date of use in commerce, Respondent did not seek to introduce any evidence of an earlier application and the records of the USPTO do not reflect any such earlier application. Respondent is now precluded from challenging the facts that have been admitted both at trial and in the filing of the application for the subject mark.

II. FOUR SEASONS HAS PRIORITY AND STANDING

As a threshold matter, there is no issue with respect to the priority of Four Seasons' БАБУШКИНО mark. Several independent witness have testified that the БАБУШКИНО brand for dairy products of Four Seasons and its direct predecessor A&O Corp. was introduced in 1997 and has been sold continuously since that time. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Zurinam of Quick Graphics testified that he commenced working with Mr. Bekker and Mr. Kesler in 1996 or 1997 and identified the label design as his own. (Zurinam Test., pp. 6-10). Zurinam further produced a receipt dating to 1998 for the manufacture of 20,000 БАБУШКИНО labels. (Zurinam Test., pp. 13-17; P-Exhibit 4). Mr. Bekker

offered un rebutted testimony regarding Petitioner's sales of БАБУШКИНО branded dairy products since 1997, not only to Brooklyn based customers, but also to California and Canada. (Bekker Test. 4/10/2008, p. 15). Moreover, irrefutable proof is contained in Petitioner's booklet of carbon copy invoices and statements of balance due. (P-Exhibit 3). Independent witnesses Leon Sheikhet and Sofya Sheydvasser each identified their invoices dating back to January 1999, verifying their purchases of БАБУШКИНО branded dairy products.

Registrant does not have any information to contradict the overwhelming evidence presented by Four Seasons and independent witnesses that BABUSHKINO has been used in commerce since at least as early as October 2007. (Kesler Test. 4/10/2008, p. 13).

Because Four Seasons' date of first use predates the Registrant's claimed date of first use by nearly two years, Four Seasons has priority over Respondent with respect to use of the БАБУШКИНО mark for dairy products.

Four Seasons has standing to bring and maintain this action because the USPTO rejected its application to register БАБУШКИНО on grounds of likelihood of confusion pursuant to 15 U.S.C. § 1052(d). It is well settled that a petitioner has standing in a cancellation proceeding where the record establishes that its pleaded application has been refused registration under Trademark Act § 2(d) based on a respondent's involved registration. Great Seats Ltd. v. Great Seats, Inc., 84 USPQ2d 1235 (TTAB 2007).

Four Seasons' application to register БАБУШКИНО (P-Exhibit 17) was made of record during the testimony of Petitioner's President Oleg Kesler. (Kesler Test. pp. 9-13). Mr. Kesler testified, under cross-examination by Respondent's counsel, that when he signed the application on behalf of Four Seasons Dairy, Inc. claiming a first use in commerce of January 1999, he understood the application to be solely that of Four Seasons Dairy, Inc. He further swore that Petitioner's direct predecessor A&O Corp. had been selling dairy products in commerce under the БАБУШКИНО mark since at least September or October 1997. (Kesler Test., p. 13).

In Four Seasons' Petition for Cancellation in this proceeding, which is automatically of record without any action of the parties, at ¶7 thereof, Four Seasons pleads the refusal of its application to register БАБУШКИНО by the Office's Examining Attorney under Serial No. 76/174746 under Trademark Act § 2(d) on grounds that the applicant's mark under Serial No. 76/174746 so closely resembles the mark in U.S. Registration No. 2,479,287 as to be likely to cause confusion, to cause mistake or to deceive. Said Office Action refusing registration on grounds of likelihood of confusion has a mailing date of June 24, 2002 and is part of the file of the subject application herein.

As stated in the TTAB Manual of Procedure: "[t]he file of an application or registration that is the subject of a Board inter partes proceeding forms a part of the record of the proceeding without any action by the parties, and reference may be made to the file by any party for any relevant and competent purpose." TBMP § 704.03(a). The

following decisional case law is cited in support of the foregoing: Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 748 F.2d 669, 223 USPQ 1281, 1283 (Fed. Cir. 1984); Cleveland-Detroit Corp. v. Comco (Machinery) Ltd., 277 F.2d 958, 125 USPQ 586, 586-87 (CCPA 1960) (application file automatically forms part of record on appeal); Uncle Ben's Inc. v. Studenberg International Inc., 47 USPQ2d 1310, 1311 n.2 (TTAB 1998) (notice of reliance on application file not necessary as it is automatically of record; "the file of applicant's application forms part of the record without any action by applicant."); and Kellogg Co. v. Pack'Em Enterprises Inc., 14 USPQ2d 1545, 1547 n.6 (TTAB 1990) aff'd, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991). ("Applicant's submission of portions of its application was unnecessary since the file of that application and the file of opposer's registration sought to be cancelled are both automatically of record herein, without any action by any party . . .").

Respondent admits that Four Seasons has standing and that there is a likelihood of confusion between Four Seasons' БАБУШКИНО and Respondents' BABUSHKA'S RECIPE inasmuch as counsel for Respondent sent a cease and desist letter on behalf of Respondent to Mr. Aron Walewitsch of Natar Foods (R-Exhibit 6) demanding that Natar Foods cease and desist from selling its farmers cheese under labels bearing "Cyrillic letters which transliterates to "BABUSHKA'S TVOROG" or Grandmother's Farmer Cheese." (Walewitsch Test., pp. 23-25). In said letter, Respondent, through counsel, continues:

Further, the GRANMOTHER'S RECIPE labels also bear a picture of a grandmotherly lady to emphasize the use of the name BABUSHKA or Grandmother.

In addition to infringing Gold Star's rights in the BABUSHKA'S RECIPE® mark, your sales of identical products under the same name is blatant unfair competition. This conduct is, pure and simple, knowing and intentional infringement of our client's established, and federally registered, trademark rights - conduct that entitles our client to, *inter alia*, court-ordered trebling of awarded damages and the recovery of its attorneys fees.

Your actions are not merely likely but, indeed, have already caused confusion, mistake and deception among the trade and in the marketplace among the public and, most especially, among our client's customers and potential customers who will be unavoidably deceived and misled to believe that your company's goods - bearing the nearly identical mark for goods that are either identical to those sold by our client under the mark or closely related to such goods - are produced or distributed or authorized by our client. Moreover, the substantial good will engendered in the BABUSHKA'S RECIPE® mark by our client at great expense and through its longstanding and successful sales efforts will be seriously diminished and impaired

(R-Exhibit 6, p. 2).

Four Seasons' vice president Alexandr Bekker recounted that in 1997, he and Mr. Kesler, then operating under A&O Corp., refused to sell their БАБУШКИНО dairy products to Respondent because of a dispute that had arisen as a result of Respondents' unjustified refusal to pay for a delivery of smoked turkey breast. (Bekker Test. 4/10/2008, pp. 117-118). Consequently, Respondent copied Four Seasons' БАБУШКИНО brand for dairy products.

Four Seasons' БАБУШКИНО Mark is Distinctive for Dairy Products

Mr. Bekker testified, through an interpreter, that Respondent was aware of Four Seasons' БАБУШКИНО brand for dairy products at the time that Respondent filed its application to register BABUSHKA'S RECIPE in December 1999 because:

A. The basis for my allegation is that, number one, the Russian market is very small and all the customers were aware about this product and they called up all wholesale businesses and there are about only six or seven of them and ordered this product. That's number one.

And, number two, we advertise our products and everybody heard about this and, therefore, Gold Star also knew about our product. There was a moment that they wanted to order our product from us, but prior to that I sold them smoked turkey breasts and they didn't pay me for the smoked turkey. That's why I didn't sell them Babushkino butter and I didn't sell them anything else.

Q. Around or about when was it that they failed to pay you for the delivery of turkey breasts? What year?

A. It happened in the year of 1997.

(Bekker Test. 4/10/2008, pp. 117-118). Mr. Bekker further testified that in 1997, he and Mr. Kesler as A&O Corp. sold approximately 30 cases per week of БАБУШКИНО-branded butter blend; in 1998, he and Mr. Kesler as A&O Corp. sold approximately 35 to 40 cases per week of БАБУШКИНО-branded butter blend, 25 cases per week of БАБУШКИНО branded Farmer's Cheese and 25 cases per week of БАБУШКИНО branded half & half. Furthermore, Mr. Bekker testified that in 1999, he and Mr. Kesler as Four Seasons Dairy, Inc. sold approximately 50 cases per week of БАБУШКИНО-branded butter blend, 40 cases per week of БАБУШКИНО-branded farmers cheese, 40-50 cases per week of БАБУШКИНО branded baked-style yogurt, 30 cases per week of

БАБУШКИНО-branded feta cheese and 30-35 cases per week of БАБУШКИНО branded heavy cream. Cases ranged in size from 24 units for butter blend to 12 units per case for heavy cream and yogurt, whereas feta and farmers cheese was ordinarily sold by weight of 12 to 15 lbs. (Bekker Test. 4/10/2008, pp. 119-120).

Mr. Bekker further testified that Four Seasons' sales of БАБУШКИНО-branded dairy products have increased approximately 25% each year from 1999 to present day. (Bekker Test. 4/10/2008 p. 121). Independent witnesses Sofya Sheydvasser of Matreshka and Natalie Walewitsch of Natar Foods testified that they continue to purchase БАБУШКИНО branded dairy products from Four Seasons to date. (Sheydvasser Test., pp. 8-9); Walewitsch Test., p. 8). Indeed, Natar Foods, a major distributor, continues to prominently feature Four Seasons' БАБУШКИНО label for dairy products on its price list. (Walewitsch Test., p. 9, P-Exhibit 13).

Highlighting the fact that Respondent admits a likelihood of confusion between Four Seasons' БАБУШКИНО-branded dairy products and Respondents' BABUSHKA'S RECIPE branded products is the meeting described by Mr. Bekker between Respondent's owners and Four Seasons' owners. Under cross examination by Respondent's counsel, Mr. Bekker described a meeting requested by Robert and Galina Pincow wherein Mr. Bekker and Mr. Kesler were invited to Respondent's place of business and threatened with legal action if they did not discontinue selling Babushkino-branded products. (Bekker Test. 10/22/2008, pp. 78-79). The instant cancellation proceeding was commenced by Four Seasons thereafter.

Four Seasons has standing to bring and maintain this action because it has shown that it is the owner of a trademark that it asserts is confusingly similar to Registrant's mark and it has demonstrated that it will be damaged if Registrant's mark is permitted to stand. See 15 U.S.C. §§ 1063, 1064; Ritchie v. Simpson, 50 USPQ2d 1023 (Fed. Cir. 1999).

III. THERE IS A STRONG LIKELIHOOD OF CONFUSION BETWEEN THE PARTIES' MARKS

Pursuant to Section 2 of the Lanham Act, 15 U.S.C. § 1052,

No trademark by which the goods of an applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it -

(d) consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office . . . as to be likely, when applied to the good of the applicant to cause confusion, or to cause mistake or to deceive

15 U.S.C. § 1052.

Likelihood of confusion is determined on a case-by-case basis by application of the factors identified In re E.I. duPont de Nemours & Co., 177 USPQ 563 (CCPA 1973).² Only those *duPont* factors that are shown to be material or relevant in the

² The thirteen factors are (1) Similarity of the marks in their entirety as to appearance, sound, connotation and commercial impression; (2) Similarity and nature of the goods and services; (3) Similarity of established, likely to continue channels of trade; (4) Conditions under which and to whom sales are made, i.e. "impulse" vs. careful, considered purchases; (5) Fame of the prior mark (sales, advertising, length of use); (6) Number and nature of similar marks in use on similar goods; (7) Nature and extent of any actual confusion; (8) Length of time and conditions under which there has been concurrent use without evidence of actual confusion; (9) Variety of goods on which a mark is used; (10) Market interface between registrant and the owner of a prior mark (consent; agreement re: confusion; assignment); (11) Extent to which registrant has a right to exclude others from use of its mark on the

particular case are properly considered in adjudicating likelihood of confusion. Octocom Systems, Inc. v. Houston Computer Services, Inc., 16 USPQ2d 1783 (Fed. Cir. 1990).

Here, the relevant factors are: (#1) the similarity of the parties' marks in appearance, sound, meaning and commercial impression; (#2 and #3) the competitive proximity of the parties' goods and trade channels; (#5) the fame of Four Seasons' БАБУШКИНО mark; (#6) the absence of any third party registrations for similar marks on similar goods; (#8) the conditions under which there has been concurrent use without evidence of actual confusion; (#11) the extent to which unauthorized third-party use of the BABUSHKA mark has been prevented; (#12) the extent of potential confusion; and (#13) Registrant's bad faith in selecting its mark.

In analyzing the relevant factors, it is important to keep in mind that "any doubts about likelihood of confusion . . . must be resolved against . . . the newcomer." In re Hyper Shoppes (Ohio), 6 USPQ2d 1025, 1026 (Fed. Cir. 1988); accord Giant Food, Inc. v. Nation's Foodservice, Inc., 218 USPQ 390, 395 (Fed. Cir. 1983); SquirtCo v. Tomy Corp., 216 USPQ 937, 939 (Fed. Cir. 1983). This is especially true where the prior mark is famous. Kenner Parker Toys, Inc. v. Rose Art Industries, Inc., 22 USPQ2d 1453, 1456 (Fed. Cir. 1992). In this case, Four Seasons and its predecessor A&O Corp. have priority of use over Registrant by nearly two years. Four Seasons alone has priority by nearly one year. Accordingly, Registrant is the newcomer, and any doubts about likelihood of confusion must be resolved against it.

goods; (12) Extent of potential confusion, i.e. de minimis or substantial; and (13) Any other established fact probative of the effect of use.

The balance of the relevant *duPont* factors leads to the inescapable conclusion that there is a likelihood of confusion between the marks at issue herein.³

³ In Four Seasons' underlying application, the Examining Attorney refused registration under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), because he determined that Petitioner's mark, when used on or in connection with the identified goods/services, so resembles the Registrant's mark as to be likely to cause confusion, to cause mistake, or to deceive.

The Examining Attorney analyzed the respective marks in two steps to determine whether there is a likelihood of confusion. First, the Examining Attorney looked at the marks themselves for similarities in appearance, sound, connotation and commercial impression. In re E.I. DuPont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

The test of likelihood of confusion is not whether the marks can be distinguished when subjected to a side-by-side comparison. The issue is whether the marks create the same overall impression. Visual Information Institute, Inc. v. Vicon Industries Inc., 209 USPQ 179 (TTAB 1980). The focus is on the recollection of the average purchaser who normally retains a general rather than specific impression trademarks. Chemetron Corp. v. Morris Coupling & Clamp Co., 203 USPQ 537 (TTAB 1979); Sealed Air Corp. v. Scott Paper Co., 190 USPQ 106 (TTAB 1975); TMEP Section 1207.01(b).

The Petitioner's mark is a Russian term in the Cyrillic alphabet that means "granny" and is transliterated as "babushkino". The registered mark is BABUSHKA'S RECIPE. The term "babushka" in the registrant's mark also means "granny". The Examining Attorney found that the Registrant's mark appears to be simply a slight variation on the Petitioner's mark. The Examining Attorney found that because the dominant portions of the marks are nearly identical in meaning and pronunciation, the marks as a whole leave extremely similar commercial impressions.

Second, the Examining Attorney compared the goods or services to determine if they are related or if the activities surrounding their marketing are such that confusion as to origin is likely. In re August Storck KG, 218 USPQ 823 (TTAB 1983); In re International Telephone and Telegraph Corp., 197 USPQ 910 (TTAB 1978); Guardian Products Co., v. Scott Paper Co., 200 USPQ 738 (TTAB 1978). TMEP §§ 1207.01 et seq.

The Examining Attorney found that the Registrant lists "dairy products, excluding ice cream, ice milk and frozen yogurt" as the goods with which it is using the mark. The Examining Attorney found that as well as being highly related to the goods listed by the Petitioner, the Registrant's goods presumably include many of the Petitioner's goods, which are listed in the application as "vegetable oil spread, vegetable extracts for food, margarine, dairy products excluding ice cream, ice milk and frozen yogurt, butter, cottage cheese and yogurt". Consequently, according to the Examining Attorney, consumers are likely to encounter the marks on the same goods and in the same channels of trade.

The Examining Attorney concluded that the similarities between the marks and the goods are so great as to create a likelihood of confusion among consumers as to the source of the goods. The Examining Attorney resolved any doubt regarding a likelihood of confusion in favor of the prior Registrant. In re Hyper Shoppes (Ohio), Inc., 837 F.2d 463, 6 USPQ2d 1025 (Fed. Cir., 1988).

**A. SIMILARITY OF THE MARKS IN THEIR ENTIRETIES
(FIRST *DUPONT* FACTOR)**

This *duPont* factors examines “the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.” In re E.I. duPont, 177 USPQ at 567. The focus is on the average purchaser, who normally retains a general rather than a specific impression of trademarks. See Sealed Air Corp. v. Scott Paper Co., 190 USPQ 106 (TTAB 1975). When assessing the similarity of the parties’ marks, it is important to keep in mind that “[t]o the average buyer, the points of similarity are more important than the minor points of difference.” J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 23.41 at 23-125 (4th Ed. 2002).

According to the Board, “in order for a likelihood of confusion to exist, two marks need not be similar in all three respects, namely visual appearance, pronunciation and connotation. In appropriate cases, a mark will be refused registration ‘if the similarity in either form, spelling or sound along is likely to cause confusion.’” E.I. duPont de Nemours & Co. v. Sunlyra Int’l, Inc., 35 USPQ2d 1787, 1790 (TTAB 1995) (citations omitted) (application to register “LYRA” for children’s clothing refused because of the similarity in sound and appearance with Opposer’s registered trademark for “LYCRA” for use on synthetic fibers); see also Toro Co. v. ToroHead, Inc., 61 USPQ2d 1164 (TTAB 2001) (the marks TORO and TOROMR and Design were confusingly similar because similarities in sound and appearance outweighed difference in meaning); Recot, Inc. v. Becton, 56 USPQ2d 1859 (TTAB 2000) (the similarities in appearance and sound between FRITO LAY and FIDO LAY outweigh the dissimilarity

in connotation, such that the overall commercial impression conveyed by the two marks is similar).

1. Appearance and Sound

Under the doctrine of foreign equivalents, Respondent's BABUSHKA'S RECIPE mark is confusingly similar to Four Seasons' БАБУШКИНО mark with regard to appearance. First, it is clear that BABUSHK is the dominant portion of each mark and it appears the same in each mark. BABUSHK is also the first term that consumers will encounter when viewing each mark.

With regard to sound, Four Seasons' БАБУШКИНО mark and Registrant's BABUSHKA'S RECIPE are similar. Each mark begins with the dominant term BABUSHK, which is pronounced exactly the same in each mark.

2. Meaning and Commercial Impression

It is clear that under the plain meaning of the term BABUSHKA and considering the commercial impression of the parties' marks, the use of Registrant's mark is likely to cause consumers to believe that Registrant's BABUSHKA'S RECIPE is associated with Four Seasons' superior БАБУШКИНО dairy products and/or are yet another line extension of Four Seasons' famous БАБУШКИНО brand.

Accordingly, this factor heavily favors Four Seasons.

**B. THE PARTIES' PRODUCTS AND TRADE CHANNELS ARE IDENTICAL
(SECOND AND THIRD *DUPONT* FACTORS)**

Petitioner's goods (dairy products and vegetable extracts in Class 29) and Registrant's goods (dairy products in Class 29) are nearly the same, and the channels of trade for the parties' goods are identical.

1. The Parties' Goods are Legally Related

The standard for finding goods to be related is actually a permissive standard. The Board has explained that:

It is not necessary that these respective goods be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is sufficient that the goods are related in some manner, or that the circumstances surrounding their marketing are such, that they would be likely to be encountered by the same persons in situations that would give rise, because of the marks used thereon, to a mistaken belief that they originate from or are in some way associated with the same source or that there is an association or connection between the sources of the respective goods.

Time Warner Entm't Co. v. Jones, USPQ2d 1650, 1661 (TTAB 2002) (citations omitted);

See also MSI Data Corp. v. Microprocessor Systems, Inc., 220 USPQ 655, 659 (TTAB 1983) ("the requisite relatedness may exist even though the products and/or services are not competitive and have significant differences if they could nevertheless come to the attention of the same types of customers under circumstances suggesting a common origin").

Here, the parties' goods are almost exactly the same - dairy products.

Purchasers encountering Petitioner's dairy products and Registrant's dairy products are likely to assume, and would have a reasonable basis for assuming, that the two products emanate from a single source, or that there is a sponsorship or other affiliation between the products. See In re Rexel, Inc., 223 USPQ 830, 831 (TTAB 1984) ("question to be determined is whether there is a likelihood of confusion as to the source of the goods because of the marks used thereon").

2. The Trade Channels Are Identical

In the absence of any restriction in the description of goods as to the channels of trade or target consumers it is presumed that Registrant's goods will travel in all of the normal channels of trade for dairy products tailored for the Russian market and to all consumers of such goods. See Canadian Imperial Bank of Commerce v. Wells Fargo Bank, Nat'l Asso., 1 USPQ2d 1813, 1815-16 (Fed. Cir. 1987); In re Opus One Inc., 60 USPQ2d 1812, 1817 (TTAB 2001).

As such, the parties' trade channels are the same. See Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 223 USPQ 1281, 1282 (Fed. Cir. 1984) (channels of trade were identical where parties' goods were sold under opposing marks in supermarkets and grocery stores across the county); In re Jakob Demmer KG, 219 USPQ 1199, 1200 (TTAB 1983) ("[t]here can be no doubt, if opposer's and applicant's products are sold in the same stores, that purchaser confusion is likely").

Accordingly, the second and third *duPont* factors heavily favor Four Seasons.

**C. THE FAME OF FOUR SEASONS' БАБУШКИНО MARK IN THE RUSSIAN MARKET
(FIFTH *DUPONT* FACTOR)**

“The fifth DuPont factor, fame of the prior mark, when present, plays a “dominant” role in the process of balancing the DuPont factors.” Recot, Inc. v. Becton, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000) (emphasis added). See also Century 21 Real Estate Corp. v. Century Life of America, 23 USPQ2d 1698, 1701 (Fed. Cir. 1992) (“the fame of CENTURY 21 increases the likelihood of confusion with applicant’s mark”), quoting, Kenner Parker Toys, 22 USPQ2d at 1456 (“the “Lanham Act’s tolerance for similarity between competing marks varies inversely with the fame of the prior mark. As a mark’s fame increases, the Act’s tolerance for similarities in competing marks falls”).

According to the Federal Circuit:

When an opposer’s trademark is strong it can never be of ‘little consequence.’ The fame of a trademark may affect the likelihood that purchasers will be confused inasmuch as less care may be taken in purchasing a product under a famous name.

Specialty Brands v. Coffee Bean Distributors, Inc., 223 USPQ 1281, 1284 (Fed. Cir. 1984). “Famous marks thus enjoy a wide latitude of legal protection.” Recot, Inc. v. Becton, 54 USPQ2d 1894, 1898 (Fed. Cir. 2000) (fame of FRITO LAY mark for snack foods increased likelihood of confusion with FIDO LAY mark for edible dog treats). “Thus, a mark with extensive public recognition and renown deserves and receives more legal protection than an obscure or weak mark.” Kenner Parker Toys, 22 USPQ2d at

1456 (fame of PLAY-DOUGH mark enhanced likelihood of confusion with FUNDOUGH mark used for competing good).

In order to determine whether a mark has achieved sufficient “public recognition and renown” to warrant a finding of fame under the fifth *duPont* factor, direct evidence of fame is not required. Rather, indirect evidence, such as length of use of the mark and sales and advertising expenditures typically suffices. See, e.g., Bose Corp. v. QSC Audio Products, Inc., 63 USPQ2d 1303 (Fed. Cir. 2002) (Opposer’s ACOUSTIC WAVE and WAVE marks were designated as famous based on sales figures and advertising expenditures); Specialty Brands, 223 USPQ at 1284 (same).

Here, length of use is decidedly in Petitioner’s favor.

Importantly, ***“the proper legal standard for evaluating the fame of a mark under the fifth DuPont factor is the class of consumers and potential consumers of a product or service, and not the general public.”*** Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 73 USPQ2d 1689, 1694-95 (Fed. Cir. 2005) (emphasis added) (“fame for confusion purposes arises as long as a significant portion of the relevant consuming public, namely, purchasers of champagne and sparkling wine, recognize the mark as a source indicator”; affirming fame of VEUVE CLICQUOT mark for champagne). Based on the foregoing, there is no doubt that a significant portion of the relevant consuming public (i.e., the expatriate Russian community in the United States) recognize БАБУШКИНО as associated with Four Seasons’ line of dairy

products, which is indicative of high quality, premium dairy products emanating from a single source.

Based on the evidence, Four Seasons' БАБУШКИНО mark should be considered a famous mark for purposes of the fifth *duPont* factor. Accordingly, this factor favors Four Seasons.

**D. THERE IS LITTLE EVIDENCE OF THIRD-PARTY USE IN THE RECORD
(SIXTH *DUPONT* FACTOR)**

“One of the relevant factors in the likelihood of confusion examination is the ‘number and nature of similar marks in use on similar goods.’ Lloyd’s Food Products v. Eli’s Inc., 25 USPQ2d 2027, 2029 (Fed. Cir. 1993), quoting, In re E.I. duPont, 177 USPQ at 567. While there is evidence in the record of third-party use by Natar Foods, the only other evidence of third-party use is product produced in Russia and sold illegally in the United States. In view of the fact that Natar Foods has kept Four Seasons’ БАБУШКИНО label on the cover of its price list for ten years, it is reasonable to assume that these parties would work together to eliminate any possibility of consumer confusion.

Accordingly, Four Seasons' БАБУШКИНО is a strong mark and this factor favors Four Seasons.

**E. ACTUAL CONFUSION HAS BEEN LIMITED BECAUSE REGISTRANT'S SALES HAVE BEEN SMALL
(EIGHTH *DUPONT* FACTOR)**

Registrant may attempt argue that there is no evidence of actual confusion even though the parties' marks have co-existed for several years. However, that argument is misleading. The likely reason that Four Seasons is not currently aware of any actual confusion is because Registrant has sold very little BABUSHKA'S RECIPE branded dairy products.

Alexandr Bekker despite having worked in wholesaling dairy products to the Russian market for 13 years has seen very few and isolated, if any, BABUSHKA'S RECIPE branded dairy products in the marketplace.

Accordingly, the lack of actual confusion in the record stems from the very small amount of Registrant's sales, if any, and this factor is therefore neutral.

**F. THE RIGHT TO EXCLUDE OTHERS
(ELEVENTH *DUPONT* FACTOR)**

Four Seasons has aggressively pursued Respondent's unauthorized use of the БАБУШКИНО mark. Four Seasons has a zero tolerance policy regarding unauthorized use of its marks - namely, that it should not be permitted. Because Four Seasons has aggressively pursued the unauthorized use by Respondent of its trademark when appropriate, this factor favors Four Seasons.

**G. THE EXTENT OF POTENTIAL CONFUSION IS SUBSTANTIAL
(TWELFTH *DUPONT* FACTOR)**

The extent of potential confusion in this case is substantial. As discussed previously, Registrant's dairy products are sold in the same channels of trade as БАБУШКИНО branded products. Any dissatisfaction with Registrant's BABUSHKA'S RECIPE dairy products reflects negatively on the БАБУШКИНО brand and Four Seasons.

Accordingly, this factor favors Four Seasons.

**H. REGISTRANT'S BAD FAITH IN SELECTING ITS MARK
(THIRTEENTH *DUPONT* FACTOR)**

The overwhelming evidence of record is sufficient to establish bad faith on the part of Registrant in adopting the BABUSHKA'S RECIPE mark.

1) Registrant had knowledge that Four Seasons' БАБУШКИНО trademark was a well-known trademark for dairy products in the Russian market in the U.S. and that there was goodwill associated with Four Seasons' mark, at the time of filing its application for the mark, BABUSHKA'S RECIPE on December 7, 1999.

2) Registrant chose to use the term BABUSHKA'S RECIPE because Four Seasons would not sell its БАБУШКИНО branded dairy products to Respondent.

3) Registrant's use of the term BABUSHKA'S RECIPE is likely to cause consumers to believe that Registrant's dairy products are associated with БАБУШКИНО branded dairy products.

Clearly, Registrant has sought to trade on the goodwill associated with Four Seasons' famous brand by registering its BABUSHKA'S RECIPE mark, the intent and effect of which is to create confusion in the marketplace.

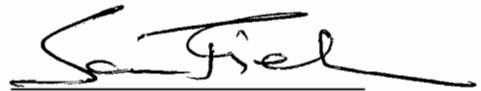
In summary, the balance of the relevant *duPont* factors leads to the inescapable conclusion that there is a likelihood of confusion between the marks at issue herein.

CONCLUSION

For the reasons stated herein, Four Seasons respectfully urges the Board to sustain this Cancellation proceeding and to cancel Registration No. 2,479,287.

Dated: New York, New York
January 25, 2010

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Friedman', written over a horizontal line.

Samuel Friedman, Esq.
225 Broadway, Suite 1804
New York, New York 10007
Tel: (212) 267-2900

Attorney for Petitioner
FOUR SEASONS DAIRY, INC.

CERTIFICATE OF SERVICE

I hereby certify that on the date set forth below, a true and correct copy of the foregoing Petitioner's Trial Brief in Cancellation Proceeding No. 92042082 entitled Four Seasons Dairy, Inc. v. International Gold Star Trading Corp., was, pursuant to stipulation served by email on counsel for Registrant, addressed as follows:

Roger S. Thompson
Cohen, Pontani, Lieberman & Pavane
551 Fifth Avenue
New York, New York 10176
Email: rthompson@cplplaw.com.



Samuel Friedman

January 25, 2010

Date